



BAY AREA
AIR QUALITY
TRANSPORTATION
FUND FOR
CLEAN AIR

March 24, 2006

TO: Interested Parties

FROM: Juan Ortellado, Grant Programs Manager

SUBJECT: Proposed Revisions to Transportation Fund for Clean Air Regional Fund Policies and Evaluation Criteria

The Bay Area Air Quality Management District (Air District) staff is proposing revisions to the Transportation Fund for Clean Air (TFCA) Policies and Evaluation Criteria. Comment is invited on proposed revisions to the Regional Fund TFCA Policies and Evaluation Criteria for the next funding cycle, fiscal year (FY) 2006/2007. Most of the current policies and evaluation criteria are proposed to remain unchanged. Among the proposed revisions are editorial changes to provide more clarity, as well as substantive changes to address recent amendments to the TFCA-enabling legislation (AB 694) which can be found at the following website:

http://info.sen.ca.gov/pub/bill/asm/ab_0651-0700/ab_694_bill_20050901_enrolled.pdf.

The proposed FY 2006/2007 TFCA Regional Fund Policies and Evaluation Criteria are contained in the attached file *Draft2006RegionalFundPolicies.doc*. To compare the current (FY 2005/2006) and proposed (FY 2006/2007) TFCA Regional Fund Policies and Evaluation Criteria, see the attached file *Draft2006TFCAPolicyRevisions.doc*, which tracks text insertion and deletion in the following manner: all proposed modifications are highlighted in red text, deleted wording has a line through it (~~through it~~), and new wording is underlined (underlined).

Following is a summary of the proposed major changes to the FY 2006/2007 TFCA Regional Fund Policies and Evaluation Criteria (all references below apply to the *Draft2006RegionalFundPolicies.doc*):

- The proposed TFCA Policies and Evaluation Criteria apply only to the Regional Fund. Policies regarding the TFCA Program Manager Funds and Vehicle Incentive Program (VIP) have been removed.
- Policy #5, *Eligible Recipients*, has been expanded to allow non-public entities to apply for funding to implement eligible clean air vehicle projects.
- Policy #8, *Authorizing Letter of Commitment*, now allows for a letter of commitment from the project applicant as opposed to the previous year's requirements for a resolution from a governing body.
- Policy # 10, *Maximum Amount*, establishes an award limit of \$500,000 in Regional Funds for a single non-public entity.
- Policy #16, *Signed Funding Agreement*, reduces the amount of time a project sponsor is allowed to sign a Funding Agreement, from three (3) months to two (2) months, after the Agreement has been transmitted to the project sponsor.

- *Returned Funds*, (Policy #24 in FY 2005/2006) was deleted because it did not apply to grant applicants but to the Air District's internal administration of the TFCA program.
- Policies regarding light-duty clean air vehicles (Policies #27 and #28 in FY 2005/2006) were deleted and will be considered in future VIP guidelines.
- Policy #24, *Heavy-Duty Clean Air Vehicles*, no longer requires project sponsors that purchase a new heavy-duty vehicle to scrap, or to install retrofit devices on, existing operational heavy-duty diesel vehicles in their fleets. Emission reductions from project sponsors that choose to scrap an eligible existing operational heavy-duty vehicle in their fleets will be accounted for in the cost-effectiveness of the project.
- Policy #27, *Clean Air Vehicle Infrastructure*, limits funding to advanced technology infrastructure for alternative fuels.
- *Scoring Criteria Discussion* establishes different minimum scores for public and non-public entities (40 vs. 36 pts) because non-public entities are not eligible to receive points under the criterion *Clean Air Policies and Programs*.
- *Criterion 1: TFCA Funding Effectiveness*, PM emissions will be weighted by multiply the tailpipe emissions by 20, in keeping with Carl Moyer Program guidelines recently adopted by the California Air Resources Board.
- *Criterion 2: Greenhouse Gas Emission Reductions*, will award 10 points, on a sliding scale, to projects that reduce greenhouse gas emissions. This criterion replaces *Criterion 5: Promote Alternative Transportation Modes*, from the FY 2005/2006 Evaluation Criteria.
- *Criterion 5: Disadvantaged and PM Impacted Communities*, will, in addition to awarding points for economically disadvantaged communities, award points for projects that directly reduce emissions in communities with high particulate matter exposure.

You may request a written copy of the attached files at 415-749-4994 or grants@baaqmd.gov. This cover letter along with the *Draft2006RegionalFundPolicies.doc* and *Draft2006TFCAPolicyRevisions.doc* mentioned above, will be posted on the Air District's website at the following address:

http://www.baaqmd.gov/pln/grants_and_incentives/tfca/regional_fund.htm

The deadline for submittal of comments on the proposed revisions is **Friday, April 7, 2006**. Comments may be sent to:

Written:

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